

## Letter to Stakeholders

Maryland Transportation Secretary James T. Smith, Jr., is proud to announce the launch of the Maryland Department of Transportation's (MDOT) Small Business Enterprise (SBE) Program to enhance contracting opportunities for small businesses. The SBE program is race and gender neutral and is designed to provide contracting opportunities to small businesses on federally aided projects assisted by the Federal Aviation Administration (FAA), Federal Highway Administration (FHWA), and Federal Transit Administration (FTA).

The goals of the SBE program are to facilitate competition, eliminate obstacles, and increase opportunities for small businesses, including Disadvantaged Business Enterprises (DBEs), to participate as prime contractors on MDOT federally aided contracts without competing with larger and more established businesses. Successful bidders will gain practical experience and develop expertise that will enable them to better compete on successive projects as prime contractors and expand their business opportunities.

The SBE program applies only to contracts with the State Highway Administration (SHA), Maryland Transit Administration (MTA), and Maryland Aviation Administration (MAA) that are funded in whole or in part with the United States Department of Transportation (USDOT) funds. The SBE program is not applicable to MDOT contracts that are completely State funded or on contracts that receive funding from federal agencies other than USDOT.

### SBE Program Eligibility:

- A firm must be a small business as defined by the U.S. Small Business Administration (SBA) by applying current SBA business size standards found in 13 Code of Federal Regulations (CFR) Part 121 that are applicable to the type of work the firm seeks to perform in USDOT-assisted contracts.
- The firm's average annual gross receipts as defined by SBA regulations during the firm previous three (3) fiscal years cannot exceed the amount set forth in 49 CFR 26.65. If the business has not existed for (3) years, the employment and gross sales shall be averaged for each year or part of a year during which the business has been in existence.

- The firm's average gross receipts cannot exceed the overall USDOT size standard for a small business (\$22.41 million averaged over the three previous fiscal years or part of the year which the business has been in existence).
- At least 51% of the firm's ownership must be held by individuals who do not exceed the personal net worth (PNW) cap of \$1.32 million as prescribed by 49 CFR 26.67.
- A firm must be organized for profit in order to be eligible for SBE certification.
- The 51% owner must be a U.S. Citizen or lawfully admitted Permanent Resident.

**A firm that is currently MDOT DBE certified will automatically be certified as SBE.** All other firms that meet the eligibility requirements must apply to MDOT's Office of Minority Business Enterprise (OMBE) for SBE status. All SBE certified firms will appear in the online MDOT SBE Directory.

Each certified SBE firm must annually submit an affidavit to the OMBE affirming its continued eligibility to participate in the SBE Program.

A firm seeking SBE certification and/or annual renewal must cooperate fully with OMBE's requests for information relevant to the certification and annual renewal process. Failure or refusal to provide such information may result in the denial or removal of certification.

All SBE certified firms will appear in the online MDOT SBE Directory.

Please visit [SBE](#) for Program Eligibility Requirements. The SBE Application is available and can be downloaded from the website, [SBE Application Page](#), or a hard copy can be obtained from OMBE. The OMBE began accepting SBE applications on March 3, 2014.